

**Company Number:00286895**

**THE COMPANIES ACTS 1929 TO 2006**

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**COMPANY LIMITED BY GUARANTEE**

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**ARTICLES OF ASSOCIATION**

**of**

**TIMBER RESEARCH AND DEVELOPMENT ASSOCIATION**

**(Incorporated on 13<sup>th</sup> April 1934)**

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**of**

**TIMBER RESEARCH AND DEVELOPMENT ASSOCIATION**

**(the "Association")**

**Adopted by Special Resolution of the Association dated 11 September 2012**

**PART 1: INTERPRETATION AND LIMITATION OF LIABILITY**

**1. DEFINED TERMS**

1.1 In the articles, unless the context requires otherwise:

<b>"AGM"</b>	has the meaning given in Article 9;
<b>"Articles"</b>	the Association's articles of association;
<b>"bankruptcy"</b>	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
<b>"BM TRADA Group"</b>	means BM TRADA Group Limited (registered number 05158448) and any subsidiary undertaking and any parent undertaking of BM TRADA Group Limited, and <b>"member of the BM TRADA Group"</b> shall be construed accordingly;
<b>"BM TRADA Connected Person"</b>	means a person who is a director or shareholder of a member of the BM TRADA Group, or a person who is connected with a director of a member of the BM TRADA Group (within the meaning of section 252 of the Companies Act 2006);
<b>"Board"</b>	the board of Directors of the Association from time to time;
<b>"Chairman"</b>	has the meaning given in Article 30;

<b>“chairman of the general meeting”</b>	has the meaning given in Article 12;
<b>“Companies Acts”</b>	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Association;
<b>“Director”</b>	means a Director of the Association, and includes any person occupying the position of Director, by whatever name called;
<b>“document”</b>	includes, unless otherwise specified, any document sent or supplied in electronic form;
<b>“electronic form”</b>	has the meaning given in section 1168 of the Companies Act 2006;
<b>“Member”</b>	a member of the Association;
<b>“objects”</b>	the objects of the Association as set out in Article 3;
<b>“ordinary resolution”</b>	has the meaning given in section 282 of the Companies Act 2006;
<b>“parent undertaking”</b>	has the meaning given in section 1162 of the Companies Act 2006;
<b>“participate”</b>	in relation to a Board meeting, has the meaning given in Article 28;
<b>“proxy notice”</b>	has the meaning given in Article 18;
<b>“Secretary”</b>	the company secretary of the Association;
<b>“special resolution”</b>	has the meaning given in section 283 of the Companies Act 2006;
<b>“subsidiary”</b>	has the meaning given in section 1159 of the Companies Act 2006; and
<b>“subsidiary undertaking”</b>	has the meaning given in section 1162 of the Companies Act 2006;
<b>“writing”</b>	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

1.2 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Association.

## **2. LIABILITY OF MEMBERS**

The liability of each Member is limited to £1, being the amount that each Member undertakes to contribute to the assets of the Association in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for:

- 2.1 payment of the Association's debts and liabilities contracted before he ceases to be a Member,
- 2.2 payment of the costs, charges and expenses of winding up, and
- 2.3 adjustment of the rights of the contributories among themselves.

## **PART 2: OBJECTS, PROPERTY AND INCOME**

### **3. OBJECTS**

- 3.1 The objects of the Association shall be unrestricted and (for the avoidance of doubt and without prejudice to the generality of the foregoing provisions of this Article) shall include the following:
  - 3.1.1 to promote, undertake and fund research and development, information and events in connection with the timber trade or industry and other trades and industries allied therewith or accessory thereto, including the construction industry supply chain, and for that purpose to establish, form, equip and maintain laboratories, workshops, or factories, and conduct and carry on experiments, and to obtain and provide funds for such work and for payment to any person or persons engaged in such laboratories, workshops, or factories or elsewhere;
  - 3.1.2 to assist or collaborate with the research and development work of any persons, associations, institutions, universities and other bodies, incorporated or not incorporated, engaged in scientific and industrial research, including market research; and
  - 3.1.3 to prepare, edit, print, publish, sell wholesale or retail, issue, acquire and circulate any literary works, artistic works, sound recordings, films, broadcasts or matters treating of or bearing on the research and development, information and events activities conducted, promoted or financed or which might be conducted, promoted or financed by the Association and to assist, collaborate in or procure such work; to establish and maintain collections of material, literature and scientific data relating thereto; and to disseminate information therefrom.

### **4. APPLICATION OF PROPERTY AND INCOME**

- 4.1 Subject to Article 4.2, the income and property of the Association, shall be applied solely toward the promotion of the objects of the Association as set forth in these Articles, and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, gift, division bonus or otherwise howsoever by way of profit, to the Members of the Association.
- 4.2 If upon the winding up or dissolution of the Association there remains, after satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members of the Association, but shall be given or transferred to some other institution or institutions in the United

Kingdom having objects similar to the objects of the Association, and which shall prohibit the distribution of its or their income and property among its or their Members to an extent at least as great as is imposed on the Association under or by virtue of Article 4.1, such institution or institutions to be determined by the Members of the Association at or before the time of dissolution, and if and so far as effect cannot be given to such provision, then to some charitable object.

### **PART 3: MEMBERS**

#### **5. CLASSES OF MEMBER**

5.1 There shall be two classes of Member, as follows:

5.1.1 **Timber Industry Members**, being individuals or corporate bodies in any part of the world engaged in the production, trading or sale of timber, manufacture of timber or timber-based products, timber treatment, timber processing or otherwise engaged in the timber using trades and industries (other than as specified in Article 5.1.2 below), as well as suppliers to the timber-using industries and industry associations; and

5.1.2 **Professional Members**, being individuals or corporate bodies in any part of the world having a professional interest in the specification and use of timber. Professional members shall include (without limitation) architects, engineers, surveyors, consultants, industrial designers, educational establishments, students, builders, contractors, local authorities, building control officers and others with a similar interest.

5.2 Each Member shall have the right to vote.

5.3 There shall be no limit on the number of Members in each class.

5.4 Membership is not transferable.

#### **6. MEMBERSHIP SUBSCRIPTIONS AND CONDITIONS OF MEMBERSHIP**

6.1 Each Member shall pay an annual subscription to the Association (as is applicable to their class of membership) in such amount as may be determined from time to time by the Board.

6.2 The Board may from time to time make rules imposing conditions on membership of the Association.

#### **7. APPLICATIONS FOR MEMBERSHIP**

7.1 No person shall become a Member unless that person has completed an application for membership in writing in a form approved by the Directors, specifying the class of membership in respect of which the application is made and has paid in full all membership fees due for the relevant year.

7.2 The membership of the Association of any person applying for membership pursuant to Article 7.1 will be subject to ratification by the Board at the next meeting of the Board following the receipt of the application by such person. If the Board does not ratify such application, such decision to be at the discretion of the Board, such person's membership will forthwith cease and any payment made by the person pursuant to Article 7.1 will be returned to such person by the Association.

## **8. TERMINATION OF MEMBERSHIP**

- 8.1 Any Member wishing to withdraw from membership of the Association may do so by giving not less than six months' notice to the Association, such notice to expire on the next date on which such Member's current annual subscription expires. If such notice of withdrawal of membership is given to the Association less than six months before the expiry of such Member's current annual subscription, that person shall be liable to pay to the Association the full amount of their subscription for the following subscription year but, for the avoidance of doubt, that person's membership shall cease on the expiry of the notice.
- 8.2 A person's membership of the Association, and all his rights and privileges as a Member shall terminate automatically on the occurrence of any of the following events:
- 8.2.1 the Board failing to ratify an application for membership in accordance with Article 7.2;
  - 8.2.2 the death of that Member;
  - 8.2.3 a bankruptcy order being made against that Member;
  - 8.2.4 a composition being made with that person's creditors generally in satisfaction of that Member's debts;
  - 8.2.5 by reason of that Member's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
  - 8.2.6 the dissolution of a partnership (where the Member is a partnership);  
or
  - 8.2.7 the commencement of the winding up or liquidation of the Member (where the Member is a body corporate),
- PROVIDED THAT a person whose membership of the Association has terminated as set out in this Article 8.2 shall be eligible to be re-admitted as a Member at the discretion of the Board.
- 8.3 If the conduct of any person who is a Member shall in the opinion of the Board render them unfit to remain a Member, the Board may expel them from membership of the Association, and they shall thereupon cease to be a Member, provided that such Member shall be first given a proper opportunity to explain their conduct or position to the Board.
- 8.4 Subject to Article 8.1, any person who shall by any means cease to be a Member shall nevertheless in 8.2.1 remain liable for and shall pay to the Association all moneys which at the time of his ceasing to be a Member may be due from him to the Association, or which may become payable by him by virtue of his liability under these Articles, and shall not be entitled to be repaid the whole or any part of any subscription or other moneys paid by him.

## **PART 4: GENERAL MEETINGS**

### **9. ANNUAL GENERAL MEETING**

The Association shall in each year hold a general meeting known as an Annual General Meeting ("**AGM**") in addition to any other general meetings in that year and shall specify the AGM as such in the notices calling it. Not more than fifteen months shall elapse between the date of one AGM of the Association and that of the next. The AGM shall be held at such time and place as the Chairman shall appoint.

### **10. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

10.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

10.2 A person is able to exercise the right to vote at a general meeting when:

10.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

10.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

10.3 The Board may make whatever arrangements it considers appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

10.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

10.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

### **11. QUORUM FOR GENERAL MEETINGS**

11.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

11.2 A quorum for the purposes of a general meeting shall be not less than three Members present at the time the meeting proceeds to business.

### **12. CHAIRING GENERAL MEETINGS**

12.1 If the Directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so.

12.2 If the Directors have not appointed a Chairman, or if the Chairman is unwilling to chair the meeting or is not present within fifteen minutes of the time at which a meeting was due to start:

12.2.1 the Directors present, or



12.2.2 (if no Directors are present), the meeting,

must appoint a Director or Member to chair the meeting, and the appointment of the chairman of the general meeting must be the first business of the meeting.

12.3 The person chairing a meeting in accordance with this Article 12 is referred to as "the chairman of the general meeting".

### **13. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-MEMBERS**

13.1 Directors may attend and speak at general meetings, whether or not they are Members.

13.2 The chairman of the general meeting may permit other persons who are not Members of the Association to attend and speak at a general meeting.

### **14. ADJOURNMENT**

14.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the general meeting must adjourn it.

14.2 The chairman of the general meeting may adjourn a general meeting at which a quorum is present if:

14.2.1 the meeting consents to an adjournment, or

14.2.2 it appears to the chairman of the general meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

14.3 The chairman of the general meeting must adjourn a general meeting if directed to do so by the meeting.

14.4 When adjourning a general meeting, the chairman of the general meeting must:

14.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and

14.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

14.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Association must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

14.5.1 to the same persons to whom notice of the Association's general meetings is required to be given, and

14.5.2 containing the same information which such notice is required to contain.

- 14.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **VOTING AT GENERAL MEETINGS**

### **15. VOTING: GENERAL**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles.

### **16. ERRORS AND DISPUTES**

- 16.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 16.2 Any such objection must be referred to the chairman of the general meeting whose decision is final.

### **17. POLL VOTES**

- 17.1 A poll on a resolution may be demanded:
- 17.1.1 in advance of the general meeting where it is to be put to the vote, or
  - 17.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 17.2 A poll may be demanded by:
- 17.2.1 the chairman of the general meeting;
  - 17.2.2 the Directors;
  - 17.2.3 two or more persons having the right to vote on the resolution; or
  - 17.2.4 a person or persons representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.
- 17.3 A demand for a poll may be withdrawn if:
- 17.3.1 the poll has not yet been taken, and
  - 17.3.2 the chairman of the general meeting consents to the withdrawal.
- 17.4 Polls must be taken immediately and in such manner as the chairman of the general meeting directs.

### **18. CONTENT OF PROXY NOTICES**

- 18.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:
- 18.1.1 states the name and address of the Member appointing the proxy;

- 18.1.2 identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;
  - 18.1.3 is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and
  - 18.1.4 is delivered to the Association in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
- 18.2 The Association may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 18.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 18.4 Unless a proxy notice indicates otherwise, it must be treated as:
- 18.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - 18.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

## **19. DELIVERY OF PROXY NOTICES**

- 19.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Association by or on behalf of that person.
- 19.2 An appointment under a proxy notice may be revoked by delivering to the Association a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 19.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 19.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## **20. AMENDMENTS TO RESOLUTIONS**

- 20.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 20.1.1 notice of the proposed amendment is given to the Association in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the general meeting may determine); and
  - 20.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the general meeting, materially alter the scope of the resolution.

- 20.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
- 20.2.1 the chairman of the general meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - 20.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 20.3 If the chairman of the general meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## **PART 5: DIRECTORS**

### **DIRECTORS' POWERS AND RESPONSIBILITIES**

#### **21. DIRECTORS' GENERAL AUTHORITY**

Subject to these Articles, the Directors are responsible for the management of the Association's business, for which purpose they may exercise all the powers of the Association.

#### **22. MEMBERS' RESERVE POWER**

- 22.1 The Members may, by special resolution, direct the Directors to take, or refrain from taking, specified action.
- 22.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

#### **23. DIRECTORS MAY DELEGATE**

- 23.1 The Directors may delegate any of the powers which are conferred on them under these Articles:
- 23.1.1 to such person or committee;
  - 23.1.2 by such means (including by power of attorney);
  - 23.1.3 to such an extent;
  - 23.1.4 in relation to such matters or territories; and
  - 23.1.5 on such terms and conditions;
- as they think fit.
- 23.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 23.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

## **24. COMMITTEES**

- 24.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by Directors.
- 24.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

## **DECISION-MAKING BY DIRECTORS**

### **25. DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 26.

### **26. UNANIMOUS DECISIONS**

- 26.1 A decision of the Directors is taken in accordance with this Article when all eligible Directors indicate to each other in writing that they share a common view on a matter.
- 26.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing.
- 26.3 References in this Article to "eligible Directors" are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting.
- 26.4 A decision may not be taken in accordance with this Article if the eligible Directors would not have formed a quorum at such a meeting.

### **27. CALLING A BOARD MEETING**

- 27.1 Meetings of the Board shall be called on such dates, at such times and at such place as the Board may from time to time determine PROVIDED THAT any three Directors may call a meeting of the Board by giving notice of the meeting to the Directors or by authorising the Secretary to give such notice.
- 27.2 Notice of any Board meeting must indicate:
  - 27.2.1 its proposed date and time;
  - 27.2.2 where it is to take place; and
  - 27.2.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 27.3 Notice of a Board meeting must be given to each Director, but need not be in writing.
- 27.4 Notice of a Board meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the

Association not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **28. PARTICIPATION IN BOARD MEETINGS**

- 28.1 Subject to the Articles, Directors participate in a Board meeting, or part of a Board meeting, when:
- 28.1.1 the meeting has been called and takes place in accordance with the Articles, and
  - 28.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 28.2 In determining whether Directors are participating in a Board meeting, it is irrelevant where any Director is or how they communicate with each other.
- 28.3 If all the Directors participating in a Board meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

## **29. QUORUM FOR BOARD MEETINGS**

- 29.1 At a Board meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 29.2 The quorum for Board meetings may be fixed from time to time by a decision of the Directors, but it must never be less than three, and unless otherwise fixed it is three.
- 29.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
- 29.3.1 to appoint further Directors in accordance with these Articles, or
  - 29.3.2 to call a general meeting so as to enable the members to appoint further Directors.

## **30. CHAIRING OF BOARD MEETINGS**

- 30.1 The Directors may appoint a Director to chair Board meetings.
- 30.2 The person so appointed to chair Board meetings is known as the Chairman.
- 30.3 The Directors may terminate the Chairman's appointment at any time.
- 30.4 If the Chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.

## **31. CHAIRMAN'S CASTING VOTE**

- 31.1 If the numbers of votes for and against a proposal are equal, the Chairman or other Director chairing the meeting has a casting vote.

- 31.2 The casting vote does not apply if, in accordance with these Articles, the Chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

## **32. CONFLICTS OF INTEREST OF DIRECTORS**

- 32.1 Subject to the provisions of the Companies Act 2006 and provided that he has previously disclosed the nature and extent of such duty or interest to the Directors in accordance with the provisions of the Companies Act 2006, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Association:

32.1.1 may vote at a Board meeting, and form part of a quorum present at that meeting, or participate in any decision making of the Directors in relation to such transaction or arrangement with the Association **PROVIDED THAT** no Director who is a BM TRADA Connected Person shall be entitled to vote, or participate in any decision making of the Directors, where the existing or proposed transaction or arrangement in question is between the Association and any member of the BM TRADA Group;

32.1.2 may be a party to, or otherwise interested in, any such transaction or arrangement; and

32.1.3 shall not, save as he may otherwise agree, be accountable to the Association for any benefit which he (or a person connected with him) derives from any such transaction or arrangement and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest nor shall the receipt of any remuneration or other benefit constitute a breach of his duty under section 176 of the Companies Act 2006.

- 32.2 For the purposes of section 175 of the Companies Act 2006, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Association.

- 32.3 Authorisation of a matter under Article 32.2 shall be effective only if:

32.3.1 the matter in question shall have been proposed in writing for consideration at a Board meeting or in accordance with the Board's normal procedures or in such other manner as the Directors may approve;

32.3.2 any requirement as to the quorum at the Board meeting at which the matter is considered is met without counting the Director in question and any other interested Director (together the "**Interested Directors**") save that if there are only two Directors holding office, the quorum for that part of the meeting dealing with the matter is to be authorised under Article 32.2, shall be any Director who is not interested in the matter;

32.3.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted; and

- 32.3.4 in taking the decision, the Directors act in a way they consider, in good faith, will be most likely to promote the Association's success.
- 32.4 Any authorisation of a matter pursuant to Article 32.2 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- 32.5 Any authorisation of a matter under Article 32.2 shall be subject to such conditions or limitations as the Directors (excluding the Interested Directors) may determine, whether at the time such authorisation is given or subsequently, and may be varied or terminated by the Directors (excluding the Interested Directors) at any time. Such conditions or limitations may include (without limitation):
- 32.5.1 (without prejudice to a Director's general obligations of confidentiality) the application to the Interested Director of a strict duty of confidentiality to the Association for any confidential information of the Association in relation to the matter;
- 32.5.2 the exclusion of the Interested Director from all information relating to, and discussion by the Association of, the matter; and
- 32.5.3 that, where the Interested Director obtains (other than through his position as a Director of the Association) information that is confidential to a third party, he will not be obliged to disclose it to the Association or to use it in relation to the Association's affairs in circumstances where to do so would amount to a breach of that confidence.
- 32.6 A Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation.
- 32.7 A Director shall not, save as otherwise agreed by him, be accountable to the Association for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under Article 32.2 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.
- 32.8 Subject to compliance by him with his duties as a Director under Part 10 of the Companies Act 2006 (other than the duty in section 175(1) of the Companies Act 2006 which is the subject of this Article 32.8), a Director may, at any time be employed by, or be an officer or a Member of, or be employed by or be an officer of a Member of, the Association (an "**Association Interest**") and notwithstanding his office or the existence of an actual or potential conflict between any Association Interest and the interests of the Association which would fall within the ambit of that section 175(1), the relevant Director:
- 32.8.1 shall be entitled to attend any Board meeting or part of a Board meeting at which any matter which may be relevant to the Association Interest may be discussed, and (subject to Article 32.1) to vote on any resolution of the Directors or a committee thereof relating to such matter, and any Board papers relating to such matter shall be provided to the relevant Director at the same time as the other Directors (save that a Director may not vote on any resolution in respect of matters relating to his employment or office with the Association);
- 32.8.2 shall not, save as otherwise agreed by him, be accountable to the Association for any benefit which he (or a person connected with him)



derives in consequence of any Association Interest and any contract, transaction or arrangement relating to an Association Interest shall not be liable to be avoided on the grounds of any such benefit; and

32.8.3 will not be obliged to disclose to the Association or use for the benefit of the Association any confidential information received by him by virtue of his Association Interest and otherwise than by virtue of his position as a Director, if to do so would breach any duty of confidentiality to any third party.

32.9 Any Director who has an Association Interest shall, as soon as reasonably practicable following the relevant interest arising, disclose to the Board the existence of such interest and the nature and extent of such interest so far as the relevant Director is able at the time the disclosure is made provided that no such disclosure is required to be made of any matter in respect of which the relevant Director owes any duty of confidentiality to any third party. A disclosure made to the Board under this Article 32.9 may be made either at a Board meeting or by notice in writing to the Association marked for the attention of the Directors.

32.10 Notwithstanding the provisions of Article 32.8, the Directors (excluding the Interested Directors) may at any time impose such conditions or limitations on the authorisations given under Article 32.8 and may vary or terminate any such authorisations in respect of a particular Association Interest.

### **33. RECORDS OF DECISIONS TO BE KEPT**

The Directors must ensure that the Association keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.

### **34. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

Subject to the Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

## **APPOINTMENT AND ROTATION OF DIRECTORS**

### **35. METHODS OF APPOINTING DIRECTORS**

35.1 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director and may be removed as a Director, by ordinary resolution.

35.2 The Directors shall have power at any time to appoint any person to be a Director either to fill a vacancy or as an additional Director, but any person so appointed shall retain his office only until the next AGM and shall then be eligible for re-election.

### **36. ROTATION OF DIRECTORS**

36.1 At the AGM in each year all Directors will retire and shall be eligible for re-election to the Board.

36.2 No person other than a retiring Director shall be eligible for election to the office of Director unless he is recommended by the Directors.

### **37. TERMINATION OF DIRECTOR'S APPOINTMENT**

A person ceases to be a Director as soon as:

- 37.1 that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a Director by law;
- 37.2 a bankruptcy order is made against that person;
- 37.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 37.4 a registered medical practitioner who is treating that person gives a written opinion to the Association stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
- 37.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- 37.6 notification is received by the Association from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms.

### **38. CHIEF EXECUTIVE OF THE ASSOCIATION**

The Board shall appoint a Chief Executive to take charge of the work of the Association subject to the overriding authority of the Board, upon such terms as the Board shall think reasonable.

### **39. SECRETARY OF THE ASSOCIATION**

The Board shall appoint a person selected by them to act as the Secretary of the Association with such salary as the Board considers reasonable. The Board may dismiss a person acting as Secretary and appoint any other person to that post.

### **40. DIRECTORS' REMUNERATION**

- 40.1 Subject to Article 41, Directors shall not be entitled to any remuneration in respect of the provision of their services to the Association as Directors PROVIDED THAT for the avoidance of doubt (and subject always to these Articles) this Article shall not prevent the payment by the Association to any person who is a Director for services provided to the Association by such person other than in that person's capacity as a Director.
- 40.2 Unless the Directors decide otherwise, Directors are not accountable to the Association for any remuneration which they receive as other officers or employees of any subsidiary of the Association or of any other body corporate in which the Association is interested.

### **41. DIRECTORS' EXPENSES**

The Association may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:

- 41.1 meetings of Directors or committees of Directors; or

41.2 general meetings,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Association.

## **PART 6: ADVISORY COMMITTEE**

### **42. ADVISORY COMMITTEE**

42.1 The Board may from time to time constitute an Advisory Committee ("**Advisory Committee**") to advise the Board on strategic, technical and programme matters together with any other matter which the Board may from time to time decide will assist it in achieving its objectives.

42.2 The Advisory Committee shall have no role or part to play in the management of the affairs of the Association and members of the Advisory Committee shall not solely by virtue of such membership be officers of the Association.

42.3 The Advisory Committee shall be constituted of:

42.3.1 one or more Directors; and

42.3.2 such persons as are nominated to it by the Board from time to time.

42.4 Each meeting of the Advisory Committee shall be chaired by a Director. The terms of reference and objectives of the Advisory Committee shall be set (and may be amended) by the Board. The Advisory Committee shall submit its advice to the Board from time to time through its chairman.

42.5 The proceedings of each Advisory Committee shall be regulated by its members.

42.6 The Board shall be at liberty to disband the Advisory Committee at any time.

42.7 Neither the Advisory Committee nor its members (save, for the avoidance of doubt, any Director who is a member of the Advisory Committee) shall have authority to enter into or to incur any contract, commitment or liability on behalf of the Association nor to award any grant or concession to any person or organisation and they shall not purport to do so. This may be done only by a Director or officer of the Association with the express authority of the Board or of a duly constituted committee of the Board or under any other specifically delegated authority granted by the Board.

## **PART 7: ADMINISTRATIVE ARRANGEMENTS**

### **43. MEANS OF COMMUNICATION TO BE USED**

43.1 Any document or information required or permitted to be given by or to the Association, any Members and Directors under these Articles or the Companies Act 2006, other than a notice convening a Board meeting, shall, unless otherwise specified in these Articles, be in writing and, subject to the Companies Act 2006 and any specific requirements of these Articles, may be given:

43.1.1 personally or by sending it by post or other delivery service in a prepaid envelope addressed to the recipient at its registered address, or any other address notified to the sender for the time being for the service of documents or information, or by leaving it at any such

- address or by any other means authorised in writing by the recipient concerned;
- 43.1.2 by sending it in electronic form to an address for the time being notified to the sender by the recipient for that purpose;
- 43.1.3 in the case of any document or information to be given by the Association, by making it available on a website.
- 43.2 If properly addressed, a document or information sent or supplied by the Association in accordance with Article 43.1 shall be deemed to be received:
- 43.2.1 in the case of a document or information delivered personally or left at the recipient's address, when delivered or left;
- 43.2.2 in the case of a document or information sent by post or other delivery service, 48 hours after sending;
- 43.2.3 in the case of a document or information sent by electronic means, 24 hours after sending;
- 43.2.4 in the case of a document or information made available on a website:
- (a) when the document or information was first made available on the website; or
- (b) if later, when the recipient received (or is deemed to have received) notice of the fact that the document or information was made available on the website.
- 43.3 In the case of documents or information sent or supplied by the Association, proof that an envelope containing a document or information was properly addressed, prepaid and posted (or consigned to the relevant delivery service or, in the case of a document or information delivered personally or left at the recipient's address, was properly addressed and delivered personally or left at the recipient's address) shall be conclusive evidence that the document or information was given. In the case of documents or information sent or supplied by the Association, proof that a document or information contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the document or information was given.
- 43.4 A document or information sent in electronic form shall not be treated as received by the Association if it is rejected by computer virus protection arrangements.
- 43.5 Where a document or information is sent or supplied to the Association it must be authenticated. Where a document or information is sent or supplied to the Association by a person on behalf of another, the Association may require reasonable evidence of the authority of the former to act on behalf of the latter.
- 43.6 A Member whose registered address is not within the United Kingdom and who gives to the Association an address within the United Kingdom at which documents or information may be given to him or an address to which documents or information may be given to him in electronic form shall be entitled to have documents or information given to him at such address but otherwise, subject to the Companies Act 2006, no such Member shall be entitled to receive any document or information from the Association.

- 43.7 A Member present, either in person or by proxy or (being a corporation) by a duly authorised representative, at any meeting of the Association or of any class of Members shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called. Subject to these Articles, anything sent or supplied by or to the Association under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Association.

#### **44. ASSOCIATION SEALS**

- 44.1 Any common seal may only be used by the authority of the Directors.
- 44.2 The Directors may decide by what means and in what form any common seal is to be used.
- 44.3 Unless otherwise decided by the Directors, if the Association has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 44.4 For the purposes of this Article, an authorised person is:
- 44.4.1 any Director; or
  - 44.4.2 any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

#### **45. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Except as provided by law or authorised by the Directors or an ordinary resolution of the Association, no person is entitled to inspect any of the Association's accounting or other records or documents merely by virtue of being a Member.

#### **46. PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Association or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Association or that subsidiary.

#### **DIRECTORS' INDEMNITY AND INSURANCE**

##### **47. INDEMNITY**

- 47.1 Subject to paragraph 47.2, a relevant Director of the Association or an associated company may be indemnified out of the Association's assets against:
- 47.1.1 any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Association or an associated company;
  - 47.1.2 any liability incurred by that Director in connection with the activities of the Association or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006); and

- 47.1.3 any other liability incurred by that Director as an officer of the Association or an associated company.
- 47.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 47.3 In this Article:
  - 47.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
  - 47.3.2 a 'relevant Director' means:
    - (a) any Director or former Director of the Association; or
    - (b) any director or former director of an associated company.

#### **48. INSURANCE**

- 48.1 The Directors may decide to purchase and maintain insurance, at the expense of the Association, for the benefit of any relevant Director in respect of any relevant loss.
- 48.2 In this Article:
  - 48.2.1 a 'relevant Director' means:
    - (a) any Director or former Director of the Association; or
    - (b) any director or former director of an associated company.
  - 48.2.2 a 'relevant loss' means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director's duties or powers in relation to the Association, any associated company or any pension fund or employees' share scheme of the Association or associated company, and
  - 48.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.